GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1512
ANSWERED ON:04.08.2006
IT RELIEF TO SENIOR CITIZENS
Sajjan Kumar Shri ;Singh Shri Sugrib

Will the Minister of FINANCE be pleased to state:

(a) the name of the Savings Schemes in which Income Tax relief is given to citizen of the country particularly Senior Citizens ;

(b) whether the Government has issued any instructions to various banks/post offices in regard to income tax relief on Small Savings ;

(c) if so, the details thereof ;

(d) whether the Government is contemplating to bring uniformity in the policies/schemes of various ministries towards senior citizens ;

(e) if so, the details thereof; and

(f) if not, steps taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHR1 S.S. PALANIMANICKAM)

(a) There are various savings schemes in which individuals (including senior citizens) can invest and avail tax benefit under Section 80C of the Income-tax Act. These, inter-alia, include :-

(i) National Savings Certificates

(ii) Equity Linked Savings Scheme (ELSS), 2005

(iii) Bank Term Deposit Scheme, 2006.

(b)and(c) The Government has issued instructions to banks/post offices in respect of Senior Citizens Savintgs Scheme,2004.They have been instructed that tax is required to be deducted at source on interest arising from such scheme, as the same is not exempt. However, no tax shall be deducted on furnishing of a declaration in Form No. 15H by a senior citizen (a person who attains 65 years of age at any time during the financial year) or in Form No. 15G by others that the tax on the estimated income for the financial year is nil.These instructions are available on the website www.finmin.nic.in (Deptt. of Economic Affairs, Budget Division).

(d) No, Sir.

(e) Does not arise.

(f) Since the underlying objective of each Ministry is different, it is not feasible to bring uniformity in the policies/schemes of various Ministries towards senior citizens.